

~~SECRET NOFORN~~NIO/EUR
25 November 1986RIISING TENSIONS BETWEEN MOSCOW AND EAST BERLIN

Strains are mounting between the Soviet and East German leaderships, particularly over economic relations, but also on broader foreign policy matters. Two days after the surprise Soviet-East European economic summit in Moscow, the East German Politburo and Council of Ministers issued a highly unusual joint statement approving the economic policies of the GDR delegation -- a move signalling both the defensiveness of a leadership under fire and its determination to press ahead with its own agenda.

- Even before Gorbachev's accession to power, Soviet-East German relations had been strained by the forced cancellation of Honecker's planned visit to West Germany in 1984. Reportedly rescheduled for last July, the visit is still in limbo, and the East Germans are clearly chafing under Gorbachev's determination to control the pace and scope of inter-German relations.
- The Soviets have also disciplined Honecker over relations with China, first by dispatching Jaruzelski ahead of him to Beijing and then (at last month's Warsaw Pact foreign ministers' meeting) by criticizing both leaders for moving too fast toward normalizing relations with the Chinese.
- And Honecker may be out in front of the Soviet leadership in calling for the removal of tactical missiles from the GDR in the event of an INF agreement. His reference last week to "these devilish things" recalls his 1984 remark that the deployment of SS-21s and -23s "did not evoke jubilation" in the GDR.

Economic relations, however, are the chief bone of contention between Moscow and East Berlin. In response to heavy Soviet pressure for increased exports of better quality manufactured goods, the East Germans delivered a 400-page report detailing their contribution to "socialist economic integration"; and they are resisting Soviet calls for "glasnost" and market reform as inappropriate to the GDR. Figuring they have the most to offer, and the most to lose, the East Germans have also opposed Soviet calls for a bloc-wide program of scientific and technical cooperation.

These disputes came to a head earlier this month. Having stood their ground against sharp Soviet criticism at the Bucharest meeting of bloc prime ministers, the East Germans succumbed to strong pressure at the Moscow summit -- but only to accept the general goals of Soviet-East European S&T cooperation. The recent joint statement suggests that the East Germans are gearing up for the next battle, which will come when the vague agreements reached in Moscow are translated into binding commitments.

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Honecker on the Skids?

But there are deeper divisions between East Berlin and Moscow than mere disputes over economic policy. [REDACTED]

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[REDACTED] Gorbachev sought unsuccessfully to persuade Honecker to step down at the East German party congress last spring. Whatever the validity of the report -- and we have seen no evidence of subsequent Soviet moves to displace Honecker -- it is clear that Honecker is out of step with the new regime in Moscow. And while careful to avoid defying Moscow on vital issues like inter-German relations, Honecker has openly challenged Gorbachev on a range of other matters.

- Like others before him, Honecker has found that measured defiance of Moscow plays well at home; and no German needs to be taught contempt for the Russians. Once embarked on this course, Honecker is likely to continue to resist Soviet initiatives that conflict with his own notions of what works best for the GDR. And to rally support within his own leadership, Honecker may have to display more openly his disputes with Moscow.
- For his part, Gorbachev will continue to exert strong pressure on the East Germans, but probably not to the point of demanding Honecker's removal. Troublesome as Honecker may be, he nonetheless commands the allegiance of the East German leadership and presides over a stable and economically strong Soviet ally. Given the problems with which Gorbachev is already grappling at home and abroad, he is not likely to risk provoking a new crisis in the heart of Europe.

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NIO/EUR
25 November 1986THE ALLIES' INDEPENDENT COORDINATION EFFORTS

The recent effort by the French, British and West Germans to coordinate their views following their surprise at the outcome of the Iceland summit had an early salutary effect. But in the long run such coordination probably will do more harm than good to Alliance unity and to US interests.

The action of major allies in convening serious discussions of common security interests -- without deliberate US prodding, participation or approval -- is a symbolic landmark in the establishment of a stronger "European pillar" in NATO.

- Some observers are encouraged that this is a growing sign of maturity of our NATO partners and of the durability of the Alliance as priorities elsewhere and budget constraints divert the US from Europe.
- Indeed, Gorbachev and his brain trust seem non-plussed as the Allies, the preferred Soviet pressure point for forcing Washington to arms control, try to walk the US Administration back from the Iceland formulas.

But, symbols aside, the activity to date has accomplished little in moving West Europe from its inertia and vulnerability to gradual Soviet blandishments.

- The French, British and West Germans are consulting largely out of frustration -- as hecklers against the US rather than constructive participants in the pursuit of a new security consensus.

The French and Germans are patting themselves on the back after Mrs. Thatcher's mission to Washington and this probably means the experiment will continue or even expand in useage. But there is little reason to believe that such activity will constructively strengthen the Alliance. Divisions still outweigh communion of views -- except perhaps in criticism of the US performance at Reykjavik.

- The "big three" already disagree over the participation of Italy in their forum, and representation of the interests of the smaller NATO members is another divisive problem. (Past efforts in the WEU and others venues always have come a cropper.)

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More fundamentally, the domestic security consensus in most of these states -- save France -- is fractured. The three governing establishments in effect only patched over their differences in making a solid front against the US on Iceland. At a meeting of the North Atlantic Assembly in Turkey last week, divisions within and among NATO parliamentary delegations made for a cacophony of views which is closer to the West European reality.

In sum, the collaborative effort well might blossom, but mainly as a forum for contrasting European interests with those of the US. And surely, it will not take the Soviets long to readjust and exploit the opportunity for splitting tactics.

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